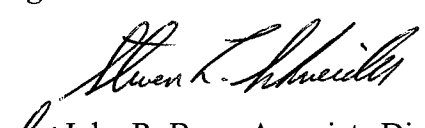


STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. Approximate date project will start: Upon Approval or March 15, 2005
3. Title of proposed action: Application for Permit to Drill	
4. Description of Project: Desert Eagle, LLC proposes to drill the Peregrin #1 well (wildcat) on a Fee lease, Garfield County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 951' FWL 1346' FNL, SW/4 NW/4, Section 4, Township 34 South, Range 2 West, Garfield County, Utah	
6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A	
9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Five County Association of Governments	
10. For further information, contact: Diana Whitney Phone: (801) 538-5312	11. Signature and title of authorized officer  for John R. Baza, Associate Director Date: March 1, 2005

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO. Fee	6. SURFACE Private
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
8. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> CBM <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: Desert Eagle LLC				9. WELL NAME and NUMBER: Peregrin #1 / 43-017-30146	
3. ADDRESS OF OPERATOR: 7469 W. Lake Meade Blvd., Suite 200, Las Vegas, NV 89128				10. FIELD AND POOL, OR WILDCAT: Wildcat/CBM	
4. LOCATION OF WELL (FOOTAGES): AT SURFACE: 951' FWL 1346' FNL, section 4 410548X 37.881003 AT PROPOSED PRODUCING ZONE: 951' FWL 1346' FNL, section 4 4192894Y 112.017165				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 4 T34S R2W Salt Lake	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Antimony, Utah 12.5 miles due north.				12. COUNTY: Garfield	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 2500'		16. NUMBER OF ACRES IN LEASE		17. NUMBER OF ACRES ASSIGNED TO THIS WELL:	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2400'		19. PROPOSED DEPTH: 1300'		20. BOND DESCRIPTION:	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7316' GR		22. APPROXIMATE DATE WORK WILL START: 1 March 2005		23. ESTIMATED DURATION: 10 days	

24. PROPOSED CASING AND CEMENTING PROGRAM						
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT		SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
17.5"	13.375" conductor		30 feet	Class G+2% CaCl +1/4	280 sx 1.18 cf/sk	15.6 ppg
12.5"	8.625"	J-55 24.0	400 feet	35/65 Pozmix + 6% gel-	102 sx 1.89 cf/sk	12.4 ppg
7 7/8"	5.5"	J-55 15.5	1300 feet	Class G+ 10% Gypsurr	80 Sx 1.51 cf/sk	14.2 ppg

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input checked="" type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Daniel Wagner TITLE General Manager

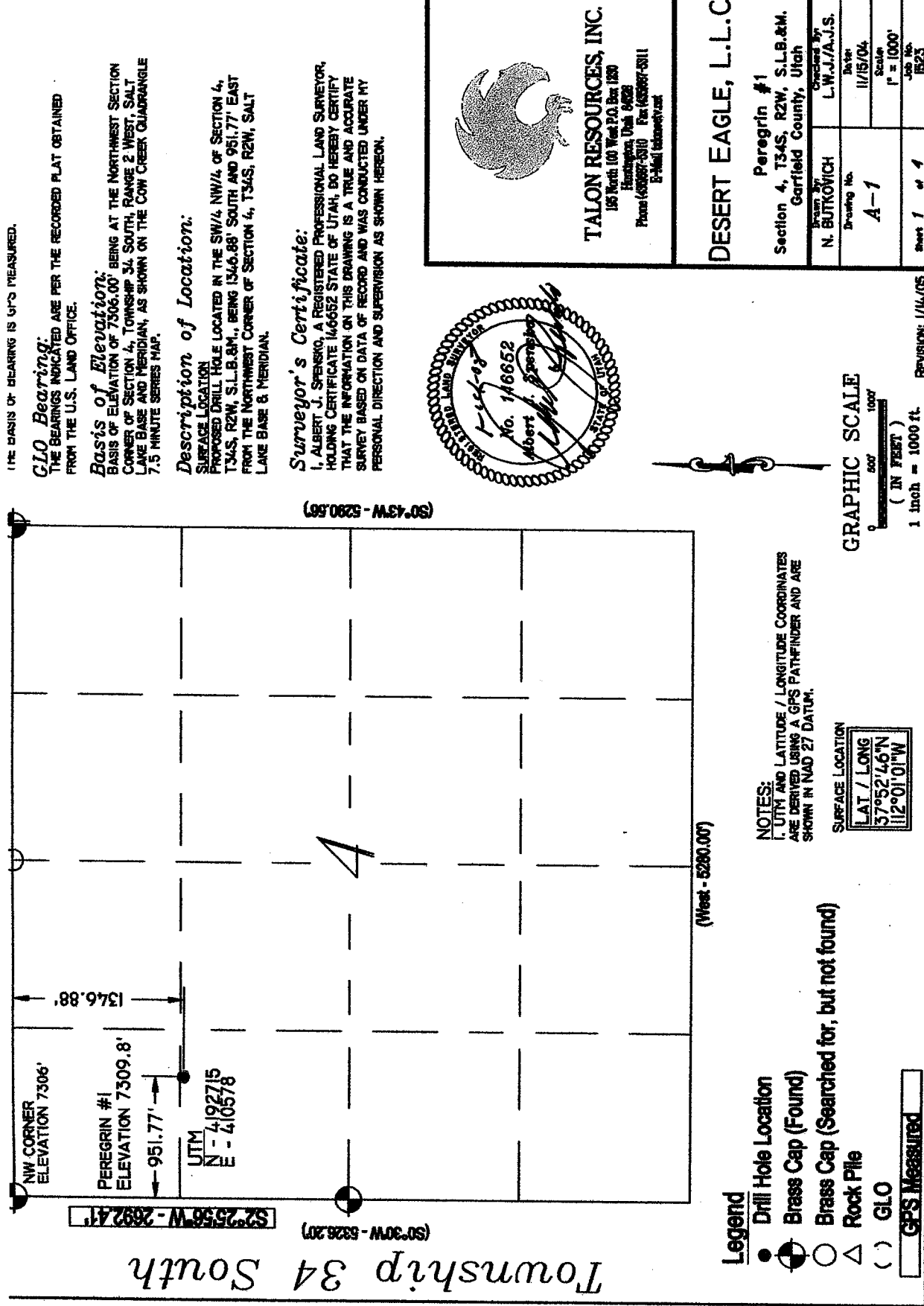
SIGNATURE [Signature] DATE 2-28-05

(This space for State use only)

RECEIVED

FEB 28 2005

DIV. OF OIL, GAS & MINING



THE BASIS OF BEARING IS GLO MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

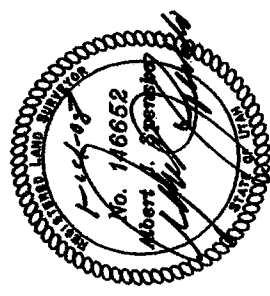
BASIS OF ELEVATION OF 7306.00' BEING AT THE NORTHWEST SECTION CORNER OF SECTION 4, TOWNSHIP 34, SOUTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE CON CREEK QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

SURFACE LOCATION
PROPOSED DRILL HOLE LOCATED IN THE SW/4 NW/4 OF SECTION 4, T34S, R2W, S.L.B. 8M., BEING 1346.88' SOUTH AND 951.77' EAST FROM THE NORTHWEST CORNER OF SECTION 4, T34S, R2W, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

I, ALBERT J. SPENSKO, A REGISTERED PROFESSIONAL LAND SURVEYOR, HOLDING CERTIFICATE 146652 STATE OF UTAH, DO HEREBY CERTIFY THAT THE INFORMATION ON THIS DRAWING IS A TRUE AND ACCURATE SURVEY BASED ON DATA OF RECORD AND WAS CONDUCTED UNDER MY PERSONAL DIRECTION AND SUPERVISION AS SHOWN HEREON.



TALON RESOURCES, INC.
180 North 100 West P.O. Box 180
Hatch, Utah 84626
Phone (435) 697-3310 Fax (435) 697-3311
E-Mail: talon@talon.com

(West - 5280.00')

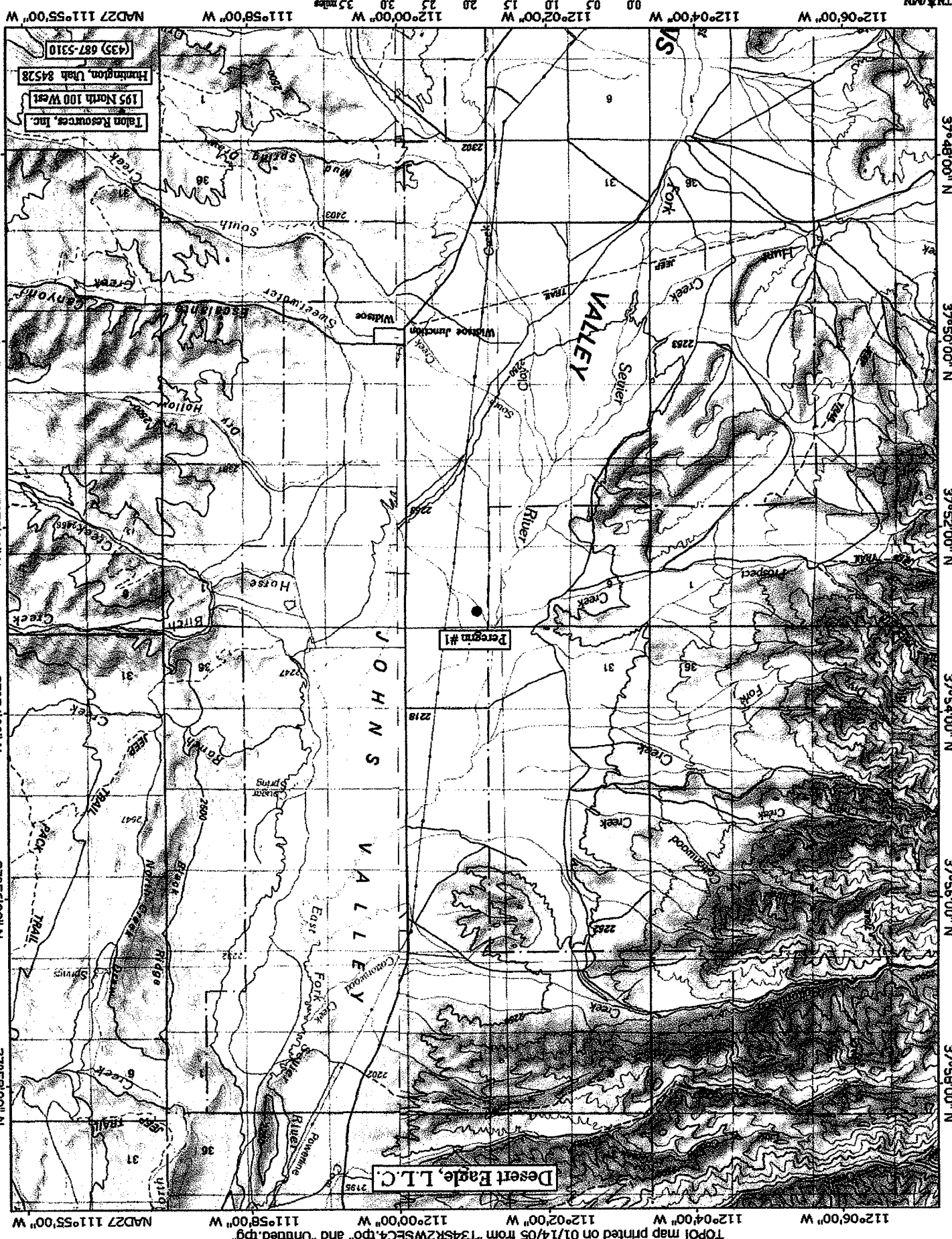
DESERT EAGLE, L.L.C.

Peregrin #1
Section 4, T34S, R2W, S.L.B. 8M.
Garfield County, Utah

Drawn By N. BUTKOVICH	Checked By L.W.J./A.J.S.
Drawing No. A-1	Date 11/15/04
	Scale 1" = 1000'
Sheet 1 of 4	Job No. 1923

Printed from TOPOI ©2000 National Geographic Holdings (www.topo.com)

13°



TOPOI map printed on 01/14/05 from "T34SR2WSEC4.tpo" and "Untitled.tpo"

NAD27 111°55'00\" W

112°06'00\" W

112°04'00\" W

112°02'00\" W

112°00'00\" W

111°58'00\" W

NAD27 111°55'00\" W